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# USSR Report

CONSUMER GOODS AND DOMESTIC TRADE



FOREIGN BROADCAST INFORMATION SERVICE

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9 October 1984

## USSR REPORT

### CONSUMER GOODS AND DOMESTIC TRADE

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### TARASOV NOTES STRENGTHS, WEAKNESSES OF TEXTILE INDUSTRY

Moscow TEKSTIL'NAYA PROMYSHLENNOST' in Russian No 6, Jun 84 pp 1-4

[Excerpted speech by the USSR Minister of Light Industry N. N. Tarasov:  
"Reserves of the Sector"]

[Text] In February of this year, a joint session was held of the Board of the USSR Ministry of Light Industry [Minlegprom] and the Presidium of the Central Committee of the Trade Union for Workers in the Textile and Light Industries. Here they summed up the operating results of the sector for 1983 and set the tasks for ensuring the fulfillment of the 1984 plan and the 11th Five-Year Plan as a whole in light of the decisions of the December (1983) Plenum of the CPSU Central Committee.

At the board session a major report was given by the USSR Minister of Light Industry, N. N. Tarasov.

The report pointed out that in 1983, light industry had fulfilled the plan for product sales and product production in retail prices. There was a rise in the output of vital necessities and goods in mass demand, including knitted underwear, hosiery from blended thread, bedding and children's underwear as well as outer knitwear for children. There was also an increase in the production of new-quality goods. At the same time, attention was drawn to the existing shortcomings in the operation of the industry. A portion of the enterprises did not fulfill the plan for product sales and for a number of articles also in physical units (for cotton, wool worsted thread, for cotton, silk textiles, nonwoven materials, outer knitwear and so forth). The greatest lag was committed by the enterprises of the RSFSR, the Ukraine, Uzbekistan, Georgia, Azerbaijan, Armenia and Turkmenia.

Certain republic ministries did not fulfill the plan for turning out vital necessities and goods in mass demand, new improved-quality commodities and superior quality articles. The reasons for these shortcomings, as N. N. Tarasov pointed out, were the low level of organizational work at the individual ministries, associations and enterprises, violations of production and technological discipline, unsatisfactory utilization of capacity, material and labor resources and insufficient attention to social questions.



The 1984 plan, as the speaker emphasized, envisages higher development rates for the sector. The overall production volume will rise by 3.4 percent, while labor productivity will increase by 3.3 percent in comparison with 1983. The highest growth rates are envisaged in the production of linen textiles, non-woven materials and knitted underwear.

Significant attention will be given to improving the quality and assortment of the products. For example, the proportional amount of superior quality products will reach 15 percent of the total production volume.

Measures have been outlined for the economic consumption of raw materials, for improving the utilization of production capacity, for bettering the organization of labor and material incentives, for accelerating the construction of housing, children's preschool institutions and so forth.

The speaker then took up an analysis of the "bottlenecks" in the work of industry and described its reserves.

The basic reserve for carrying out the 1984 plan should be the rapid growth of labor productivity. Here an important role should be played by the widely developed movement in light industry for a 1-percent rise in labor productivity above the plan and for an additional 0.5 percent decline in product cost. Virtually all enterprises have adopted counterplans for 1984. Now it is a matter of organizing their fulfillment.

As was emphasized at the extraordinary February (1984) Plenum of the CPSU Central Committee, a rise in the efficient use of the sector's production and scientific-technical potential is of great importance for fulfilling the 1984 plan and the entire five-year plan as a whole.

For the textile and light industries, the use of this reserve, as the minister pointed out, consists primarily in better utilizing capacity and increasing the shift coefficient for equipment operation. An analysis has shown that the shift coefficient has shown a tendency to decline. Its lowest level is at the Central Asian enterprises which have the best opportunities for providing the enterprises with labor resources.

Many leaders usually explained the nonfulfillment of the plan and the decline in the shift coefficient by a shortage of workers. However, the speaker gave examples where the production volume increased with a decline in the number of production-industrial personnel. Thus, the Kalinin cotton cloth combine over the 3 years of the five-year plan has reduced the number of employees by 4 percent with a simultaneous increase in the production volume of 13 percent. It was emphasized that there are many such enterprises in the industry and it is merely a question of organizing a thorough study and broad dissemination of their experience in the sector.

The industry suffers great losses also due to above-planned equipment stoppages. In the cotton cloth sector alone, in 1983 for this reason they failed to produce around 100,000 tons of thread and over 460 million m<sup>3</sup> of textiles. The stoppages have been caused by the poor organization of production at a number of enterprises, by the absence of proper discipline and order and by interruptions

in material and technical supply. The conclusion was drawn that the eliminating of above-planned equipment stoppages should become one of the central tasks in the activities of leaders on all levels of management.

Other major problems are: accelerating the completion and introduction of newly finished capacity; the prompt installation of new, highly-productive equipment; the complete utilization of its capacity and advantages.

In the report important attention was given to the questions of labor resource utilization. It was pointed out that in recent years, certain advances have been made in reducing personnel turnover and working time losses. However, at the sector's enterprises in Kazakhstan, Azerbaijan, Kirghizia and Turkmenia as before personnel turnover remains high and at the cotton ginning mills it has even increased somewhat. The reason for this lies in the lack of attention on the part of the leaders to the needs of the workers as well as in shortcomings in resolving sociodomeestic problems.

Under the conditions of a manpower shortage, of exceptionally important significance is the broad introduction of the brigade form of organizing and encouraging labor. However, in this important question there are also shortcomings. In the aim of eliminating them the USSR Minlegprom Board and the Presidium of the Central Committee of the Trade Union for Workers in the Textile and Light Industries have adopted a decree on improving the brigade form of organizing labor and increasing the effectiveness of the new type of brigades. At present the task is to organize work for unswervingly carrying out this decree and all the outlined measures, having drawn primary attention to introducing cost accounting in the brigades, to retraining the brigade leaders and increasing the activities of the brigade councils and brigade leader councils.

The speaker then gave great attention to the discipline of deliveries, having pointed out that the party and government demand a decisive strengthening of this. The observance of contractual obligations relating to product deliveries is now the main thing in the work of industry. At the same time, delivery discipline in the sectors still is low. One-half of the enterprises in 1983 did not fulfill the plan for this indicator and as a result of this a significant portion of the profit earned by the collectives was spent on paying penalties for product nondelivery.

The main thing in instilling order in product deliveries, as the minister emphasized, is ensuring uninterrupted and steady production. The Union republic ministries and the industrial associations in instances of a violation of contractual obligations should find the specific guilty parties and hold them strictly responsible.

The utilization of raw materials is a serious problem in the work of the industry. The 1984 plan, considering the supply of raw material resources, was balanced with a certain tautness. For this reason, it is essential to carry out specific measures for the economic and thifty consumption of raw products and materials and achieve a sharp reduction in all types of wastes.

One of the main areas of the work in saving raw materials is reducing the material intensiveness of the products as a result of standardizing the

assortment, increasing the output of products employing chemical fibers and utilizing secondary resources and production wastes.

Many enterprises have made significant advances in this work. But the still existing opportunities are not sufficiently realized and at times there has been a neglectful, uneconomic attitude toward utilizing the raw material, fuel and other resources. For resolving this important problem it is essential not only to put an end to mismanagement at the enterprises but it is essential that the scientific research institutes in the sector be fully engaged in developing waste-free production methods and developing new articles with reduced material intensiveness.

It is essential to promptly revise the consumption rates for raw products and materials and to study and disseminate the experience of the best enterprises which have achieved a rational utilization of all resources.

In describing the work in the area of capital construction, the speaker emphasized its enormous importance in increasing the production volume as well as improving the living, cultural and domestic conditions of the workers.

The state of affairs with capital construction in the sector leaves much to be desired. At a number of enterprises, the construction has been poorly carried out, the limits for capital investments and construction-installation work are not fulfilled year after year and the stipulated dates for completing new capacity are violated. For example, the plan for construction-installation work at the Makeyevka Cotton Cloth Mill (the Ukraine) in 1983 was fulfilled by just 39 percent while at the Tashkent Malika Knitwear Association by 21 percent. Here the guilty parties are primarily the enterprises, associations and ministries which act in the role of clients and provide little control over the activities of the construction organizations.

The 1984 construction plan envisages the utilization of significantly more funds than in the previous year; some 60 percent of these funds has been channeled into the technical reequipping and reconstruction of the enterprises. This provides an opportunity to substantially increase production efficiency and better utilize the labor resources.

For carrying out the designated plans for the construction and technical reequipping of the enterprises, it is essential to stiffen control over the operation of the construction and installation organizations, more energetically develop the socialist competition for the early completion and full development of designed capacity, and improve designing and estimating, having provided higher quality plans and the prompt completion of design and estimate documents.

In the minister's report, a special place was taken up by the questions of satisfying the public's demand for consumer goods. He stated that light industry is often criticized for the slow reorganizing of production to produce modern articles. At the December (1983) Plenum of the CPSU Central Committee it was pointed out that with a shortage of many articles for sale, good raw products and materials are frequently diverted to products which cannot be sold, which remain at the warehouses and must then be marked down...



Proceeding from the party's instructions, as the speaker emphasized, improving the assortment and bettering product quality should become an unbroken law and a daily job for the leaders of the ministries, associations and enterprises. There are still many shortcomings in this work. The enterprises have shown intolerable slowness in changing over the assortment and developing new, high-quality and high-fashion articles which meet the needs of the consumers. As a result a large number of articles remains unsold at the wholesale fairs for the selling of light industry goods.

One of the indicators characterizing product quality is the percentage of rejected products by the trade organizations. For a long time this has remained rather high and is 7-9 percent of the inspected amount of goods. It is significantly higher at the enterprises of the ministries of light industry in Uzbekistan, Azerbaijan, Georgia and Armenia. Here the fault is with the leaders of those ministries who tolerate such a state of affairs instead of declaring a merciless war against the shoddy workmanship. One of the reasons for the poor quality of the articles produced at the enterprises of the above-listed ministries is the poor work of their artistic-technical councils. Up to 50 percent of the sample articles approved by them has been rejected by the Artistic-Technical Council of the USSR Minlegprom.

Of important significance for increasing product quality and broadening its assortment are the recruitment and placement of the leadership and specialists. However, there have been instances when persons not having any relationship to the production of consumer goods have been appointed as the leaders of light industry enterprises. As a result of this, the whole question suffers. The ministries and industrial associations should not allow such phenomena.

Satisfying the needs of the Soviet people for light industry articles is not only an economic but also a social and political task. For carrying this out it is essential that each enterprise, association and ministry intensify work to seek out reserves for increasing the production of better quality and mass demand goods and vital necessities. For this reason, as N. N. Tarasov emphasized, it is very important to provide the necessary flexibility in reorganizing production methods in order to respond effectively to changes in market conditions and not allow the piling up of unsaleable goods. It is essential to clearly carry out the instructions and procedural provisions of the USSR Minlegprom on the questions of making models, working out and introducing new articles into production and managing product quality.

The speaker pointed out that successful work in fulfilling the 1984 plan will depend largely upon how rapidly the sector reaches the growth rates set in the annual plan and will put into action all reserves for increasing production efficiency. During the time remaining until the end of the year, it is essential to eliminate the designated lag in the production volumes, having mobilized all the labor collectives to struggle for successfully completing the year and unconditionally fulfilling the counterplans and socialist obligations. It was pointed out that here particular attention must be given to sharply improving the work of the enterprises which for a long time have not fulfilled the established plan quotas.

During this year the ministry is giving great attention to the economic experiment being conducted at the enterprises of the Belorussian Minlegprom to broaden the rights of the enterprises and strengthen their responsibility for the work results. This experiment is extremely important. Even during the current year, individual elements of it should be introduced in the sector. The reorganization of management in all light industry will be prepared following the results of the experiment.

At the same time, the USSR Minlegprom is working on solving the questions of the sector's development for the longer run, participating in the elaboration of a comprehensive program for the development of consumer goods and public services up to the year 2000.

In conclusion, N. N. Tarasov drew attention to the necessity of increasing the level of organizational work and executive discipline at each section and each work area. He pointed to the necessity of providing strictest control over the carrying out of the party and government decisions as well as in-house plans. The control should be effective. Each instance of deviation from the adopted decisions or the nonfulfillment of them at the designated times should be viewed as a deviation from the norm. It is essential to increase the responsibility of the specific workers for carrying out the tasks entrusted to them. Only under this condition is it possible to successfully carry out the high demands placed on the sector's workers.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### LIGHT INDUSTRY OFFICIAL APPRAISES PRODUCTION OF GOODS

Moscow AGITATOR in Russian No 10, May 84 pp 17-20

[Article by A. Yefimov, USSR first deputy minister of light industry: "Goods for the People--A Common Concern"]

[Text] Light industry is one of the largest and structurally most complex sectors of the national economy. As a whole, 30 of its sectors produce more than 15 percent of all industrial output, including more than 28 percent of group B products--consumer goods. More than one-half of all retail trade of nonfood goods--about 300 rubles per capita annually--constitutes the share of light-industry products (including a certain number of imported ones). Many goods, which were only recently in short supply, are now available in sufficiency thanks to the comparatively high growth rate of production.

From 1950 through 1983, light-industry production grew 6.5-fold and since 1970--more than 1.5-fold. With respect to the production of a number of items, including cotton and woolen fabrics and leather footwear, we greatly exceed per capita the United States.

But it must be admitted that in the last 2 years, the sector's production growth has greatly slowed down. Objective reasons exist for this: a shortage of certain kinds of raw materials and at many enterprises--of workers, especially skilled ones, slowed down modernization here and there and the necessity of reorganizing a number of production operations for new assortment. But in addition to all of this, it should be stated outright that collectives of factories and combines are far from working with the full strength of their potential. The plan of the fourth year of the five-year plan provides for a significant improvement in the use of significant reserves available in light industry and on this basis for an increase of 3.7 percent in its production, each of which is equal in wholesale prices to a billion rubles in round figures. To deal with this difficult, but realistic task is the duty of our sector's workers.

A no less responsible task is to significantly raise the quality of products and to improve assortment, significantly increasing in it the share of high-quality goods that are in great demand by buyers.

For the sake of fairness it should be said that many changes in this regard have already been achieved. Thus last year compared to 1982, with a total growth of 2 percent for fabrics, the production of cotton fabrics of improved quality increased by 27 percent and of silk fabrics by 42 percent. Two percent more was also produced of under and outer knitwear than in the preceding year and 21 percent more of improved quality. The production of leather footwear grew by one percent and of improved quality--by 16 percent. The output of obsolete articles and models not drawing customers is being reduced accordingly.

In the sewing industry, the production of stylish items has been increased--coats of artificial fur, coats and half-length coats of mixed fabrics with insulating materials, sports jackets from kapron fabrics with a lining, suits of pile fabrics, trousers of velveteen and jeans fabrics of extra toughness. At some factories, the output of stylish items at contractual prices has been organized and is growing rapidly. A number of Moscow factories are mastering the production of tens of models of clothing on the basis of licenses of foreign firms.

The share of items with the designation "N" (new item) and with the state Seal of Quality is growing among the sector's products. Last year it was awarded to more than 26,000 items of light industry output.

Nonetheless the sector as before still owes a great deal to its customers as the quality of many of our goods as yet does not correspond to growing requirements. The personnel of a number of enterprises are slow in the renewal of assortment and continue to supply to trade items of obsolete models, design and color schemes, which are not being sold, lie around and at best are sold after a large price reduction that serves as a loss to the state. And at times even that does not help.

The sector is justly criticized for this. Such criticism was even heard from the high podium of the session of the USSR Supreme Soviet held in December of last year. Notwithstanding an unsatisfied demand for leather footwear, it was pointed out there, the trade was obliged to refuse the purchase of 1.3 million pairs of shoes of models that were not in demand but were planned for production in 1984.

Frequently the quality of manufacture of goods is low. Factories make many of them with serious deviations from standards, technical specifications or approved samples. According to data of the State Trade Inspectorate and Gosstandart, 7-10 percent of fabrics, knitwear products and footwear checked by inspectors has to be reduced in grade or altogether rejected and returned to the manufacturers.

It reaches such a point that the procurator's office is obliged to institute criminal cases against certain enterprises for repeated output of defective products in large numbers. The Leather-Footwear Association imeni Eydukyavichus found itself in this unenviable position because its products disclosed, on a large scale at that, such flagrant defects, including even different top lengths, displaced soles, the back of a shoe protruding over the heel....

And a large batch of stylish looking boots was returned by customers after quick breaking of heels. In 2 years, it was found necessary to write off as a loss more than 23,000 pairs of boots made of real leather.

Such cases, and unfortunately there are many of them, are on the conscience of a number of the sector's collectives not concerned with the reputation of their brand who tolerate bad workmen. It is necessary to create everywhere, including through the efforts of political agitation activists, an atmosphere of intolerance of poor work. Here is what Valentina Filatova, a cutter at Moscow Zarya Footwear Production Association said:

"For any product, quality of workmanship is of tremendous importance. A crooked seam, it is said among us, cuts the heart of the consumer. But the quality of workmanship depends on the whole collective. In order to produce a good thing, friendly, strenuous efforts of hundreds of people are required; in order to spoil, one slipshod worker is sufficient. The output of a good product should be the everyday concern of the entire labor collective, of every specialist and of every worker."

Right thinking. And it applies literally to all participants of a long and complex production chain, which is only closed by the footwear or garment conveyor. Only the joint efforts of all subcontractors can ensure due production growth of high-quality goods for the people. As yet many links of the chain let you down, put shoemakers, clothing-industry workers, knitwear workers and, in the final analysis, users in a hole.

Thus we have big complaints against animal-husbandry workers and personnel of meat combines. About 12 percent of raw leather and more than one-quarter of fur sheepskin used reach us with cuts, torn outpieces, holes and other defects resulting in a large number of rejects. But if these did not exist, consumers would get a lot more footwear, leather jackets in short supply and other items.

Chemical workers also let us down: they provide us few, and with interruptions, good, resistant dyes with bright color tones. Products with pallid tones look unattractive even on a good model, and the durability of the coloring is at times low. Things are no better with the delivery of synthetic fibers and thread--in 3 years of the five-year plan, light industry was undersupplied 193,000 tons of them. For example, Chaykovskiy Silk-Fiber Combine (in Perm Oblast) last year received from Balakovo Khimvolokno Association only one-quarter of the contracted amount. The color range of fibers and thread is frequently meager.

As a result quality suffers, fabric assortment is not adhered to and frequently production cost grows. Citing foreign experience, chemists refused to twist thread, but did not replace this with other processing. Untwisted thread cannot be handled well on pneumatic looms, as a result of which productivity is reduced.

In spinning production, the frequent low quality of cotton and considerable inclusion of foreign elements have negative consequences. Additional cleaning requires the expenditure

of a lot of time, effort and money. In this connection wastes are high, and the fiber deteriorates from the numerous additional operations. Good fabric cannot be produced from it.

In a word, a businesslike and self-critical discussion of the obligation facing light industry and, in the final analysis, we repeat, millions of consumers is due at many collectives providing our sector with raw and other materials as well as equipment whose quality also in many cases, to put it mildly, leaves much to be desired. It is time for all to understand that the production of high-quality goods for the people is a common concern of many sectors and not just of light industry.

But despite all this, the first demand is still on its workers. And they also frequently let subcontractors and sector partners down. This applies to many leather and textile enterprises. For example, Mary Spinning and Weaving Factory imeni 8 Mart is frequently let down by a yarn supplier--Ashkhabad Cotton Combine. The Osha Production Cotton Association frequently breaks the contractual assortment in favor of less labor-intensive or more profitable fabrics to the detriment of others that are also needed by the sewing people and the population. For example, Frunze 1 May Sewing Association ordered fabric for boys' shirts but received from Osha fabric with designs... for women's housecoats. The Chardzhou Sewing Factory because of a shortage of light cotton fabrics was forced last year to sew children's shorts from stiff jean fabrics quite unsuited for this, which, incidentally, are in short supply for the purpose for which they are directly intended.

Complaints are frequent in regard to the quality of fabrics. Last year, inspectors of Chistopol Sewing Factory (in Tatar ASSR) rejected about 45,000 meters of fabric acquired from Chaykovskiy and Shakhtinsk Combines and a number of other factories and associations. One of the basic reasons for the rejects is poor coloring. Are the aforesaid chemical-industry workers to blame? It happens that way, but what if, let us say, a design is out of shape or there is a change in the hue of a fabric within one and the same design. Here the chemical workers are not at fault, such damage is the fault of the textile workers, that is, of intrasectorial subcontractors, comrades in the sector.

What is needed that we all be indeed comrades, conscientious partners, strictly observing delivery discipline, planned assortment and observing contractual obligations in all respects, including, of course, required quality. This year's plan provides for an increase of 4.3 percent in the production of all manner of fabrics, each of which means 114 million square meters, sufficient for sewing about 40 million dresses, suits or coats. At the same time, it is planned to renew the assortment of cotton fabrics by 15 percent, wool--by 20 percent and silk--by 24 percent. On this basis, the production of sewn goods from fabrics of new textures and colors will be increased. It is also necessary to deal with the growing assignments for the production of knitwear, model footwear and a number of other goods.

The results of the past months show that so far not all enterprises or even entire subsectors are meeting the year's targets. Pacemakers and also laggards have been disclosed. It is necessary to bring up the latter and to go beyond plan limits. There is still time for this, and it should not be lost.



With a shortage of some raw and other materials, especially those of high quality, growth of production output can be and should be ensured with their economy and reduction of unit costs. Incidentally for materials-intensive light industry, this is a decisive way of reducing production cost and consequently of increasing profit needed by the state and the production collectives themselves.

Many of the sector's enterprises make good use of this reserve. For example, the collective of Rigas Tekstils Association developed production of good-quality, good-looking thin-cloth Venta coat fabric essentially from... wastes of sewing, knitwear and weaving production operations with an admixture of synthetics.

Or take the Moscow Vostok Footwear Association. Here thanks first of all to the skill and enterprise of T.Kuzenkova, Z. Nechayeva, T. Tonushkina and a number of other pattern cutters more than 2 million square decimeters of leather goods were saved last year. Such an economy sufficed the collective for 3 days of work in which it produced 80,000 pairs of footwear. Moreover, they save without detriment to quality of products--90 percent of the footwear comes out first and highest grade and one-third with the state Seal of Quality.

Among the collective of Chelyabinsk Footwear Association they are competing to the slogan "To work one day a month on saved raw materials." Here they have pledged to save this year materials in the amount of 400,000 rubles and to produce from this 100,000 pairs of footwear above the plan, brining up the share of products of the highest category of quality to one-third of the entire output.

There are many such examples of thrifty work and a truly solicitous approach to the people's property, but frequently losses of cotton, wool, leather and other raw materials are permitted in storage and processing. Thus in the cotton subsector in production of yarn thousands of tons of raw material were overexpended last year. They could have produced tens of millions of meters of fabrics. Wastes are great at a number of enterprises in the manufacture of fabrics, clothing and footwear. Secondary material resources are used insufficiently effectively. It is necessary to install order everywhere and without delay in this matter, to put a stop to wastefulness and to decisively eliminate losses and excesses. Here is a broad field of action for rank-and-file production workers engaged in the storage of valuable materials, in their processing, the cutting of materials as well as for efficiency experts, people's inspectors and activists of the "Komsomol Projector" as well as for agitators and political information officers.

Light-industry workers have people to emulate. Our famous Heroes of Socialist Labor spinner of Kalinin Cotton Combine L.P. Arsenyeva, weavers M.D. Poleshchuk from Moscow Silk Combine imeni Shcherbakov and V.N. Pletneva from Kostroma Flax Combine imeni V.I. Lenin, competition leaders pattern cutter of Lvov Progress Association, A.A. Abrosimova, brigade leader of preparers of footwear uppers of Yerevan Masis Footwear Combine K.S. Stepanyan, electric sewing machine operator of Frunze 40 Let Oktyabrya Sewing Factory S.Z. Adilseitova are well known both inside and outside the industry.



This year Twice Hero of Socialist Labor Ivanovo weaver Valentina Nikolayevna Golubeva became known throughout the entire country. She has fulfilled since the beginning of the five-year plan already 18 individual year's norms. Her reliefs--N.K. Maksyachkina, awarded all three degrees of the Order of Labor Glory and A.M. Sukhova, winner of the USSR State Prize--are not lagging behind her.

In the sector, there are many labor pacemakers. More and more pacemaking brigades are appearing. They assume high socialist commitments and successfully fulfill them. For example, the brigade of weavers of Kupavinskaya Thin-Cloth Factory imeni I.N. Akimov headed by assistant foreman G. Molotilov committed itself to provide above plan this year 3,300 meters of unbleached fabrics and to have the share of first-class fabrics reach 99.5 percent.

Responding to the party's call, many light-industry collectives adopted for 1984 commitments to overfulfill by one percent the target for growth of labor productivity and by one-half percent the target for reducing production cost. Among them is the collective of Moskva Sewing Production Association. It has promised to put out above target 400,000 rubles' worth of men's and children's shirts, to save 170,000 square meters of fabrics, to achieve a 58-percent renewal of item assortment and to have the share of products of the highest category of quality reach 40 percent.

More, better and cheaper--these simple words express the essence of competition among all production sectors. And for ours, there could be added: to bestow happiness on people. This is honorable and responsible, complex, at times difficult, but it cannot be otherwise.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### OFFICIALS RESPOND TO READER CRITICISM OF POOR GOODS

Moscow LITERATURNAYA GAZETA in Russian 4 Jul 84 p 11

[Roundtable report written up by L. Velikanova and A. Nikitin: "A Person With a Purchase and Without a Purchase"]

[Text] Over 600 replies were received to the questionnaire by the Section for Sociodomestic Problems "A Person With a Purchase and Without a Purchase." The rich, lively and diverse mail from all ends of the nation has made it possible to gain a full picture of the situation regarding consumer goods. "We can do well when we want to" was the idea which reoccurred constantly in many letters.

"Last year I visited Kaliningrad Oblast and I was pleased to see the products of the garment workers there. There was an enormous choice of women's dress styles from a synthetic knitted fiber. The dresses were very attractive and the range of colors a pure miracle! I first thought that these were imported. I was also pleased to buy the children's shirts made by the same association. My friends were amazed and said: 'But we can do good work and why don't others adopt the experience?' K. Levite, Master Garment Maker, Magadan."

"I want to tell about my friends, my household assistants. This is the Malyutka washing machine, my dependable laundress. This is the Oka-6 refrigerator (in the city Murom), good looking although expensive. This is my spray iron (the city of Lys'va). It makes it possible to iron perfectly the driest undergarments. But the Triol' bell sometimes misleads me. I listen so to its nightingale trills that I forget to open the door. L. Nechiporuk, Moscow."

"I very much liked the woman's coat manufactured by the Kalyazin Garment Mill which I purchased at the Kalinin Bogatyr' Store. The coat is fashionable, comfortable and the fabric is of a pleasant color and good quality. My friends judged my purchase as top grade...."

But in other letters, and even in these there was criticism of poor, unreliable goods.

"What I saw in the store amazed me. All the storerooms from top to bottom were jammed with Kristall refrigerators made by the Vasil'kov plant. They had been returned by their purchasers, as I did. R. Petrosyan, the town of Brezhnev."

"The Sevani alarm clock arrived in Sysert. Among the purchasers there is the widespread belief that if the name of the article has been written in Latin script then the thing is designed for export. The clock from the very outset began to cause problems. I put the alarm hand over the figure '6' but by morning it was either on the 8 or 9. And instead of a melodic bell it produced a nasty 'du-du-du.' There is your Latin and your export! M. Gvozdyukovich, labor veteran, Sverdlovsk Oblast."

Purchasers had had "trouble" with the Mezon television set, the Penza bicycle, the Bucha thermoses and other articles.

From the reader mail there is the clear conclusion that for many types of articles the market has already been saturated. "But what about light dresses? Or woolen ones? Things are full up..." (N. Danilevko, Moscow). "There is an enormous amount of footwear in our stores" (A. Filimonov, Saratov).

The readers also comment that the crowds in our streets, as a rule, appear fashionably and well dressed. "But ask them where they bought these things and it turns out that they did not purchase them but rather 'secured' them. With a lot of trouble, lines and extra payments to speculators" (L. Krayukhina, Stavropol).

"I want to pay the state and not the speculators!" was how V. Soldatov from Krasnoyarsk began her letter.

On the one hand there are many commodities and on the other a number of categories of purchasers cannot buy the things they need.

"I wear a size 34 shoe. I travel a great deal around the country and absolutely nowhere can purchase shoes. In certain stores even the section selling this size has been closed. Ye. Medyanik, the town of Lvov."

"Nowhere can I buy an insulated jacket of size 54-56 for my pensioner husband. N. Permyakova, Novokuznetsk."

"I started looking for children's summer footwear immediately after my daughter was born. But to no avail! My thanks to my neighbors as they gave them to me. N. Sleptsova, Alma-Ata."

The elderly and the children, the "giants" and small people--have not many been "overlooked"?

The purchasers have very sharply posed the question that often imported goods win out in comparison with our own. They feel that this is not only a consumer question.

In describing his problems with the Vesna-211 stereo tape recorder, V. Dolmatov wrote: "The sailors bring a good deal of foreign equipment to us in Odessa. Try to clearly explain to your young son why a Japanese tape recorder works without problems while ours begins to cause trouble from the very first months of operation."

"Enough of our trying to get the scarce foreign model! It is time to make our goods the equal of the world standards!" is how the question was put by N. Nazarov from the town of Buysk in Altay Kray.

Literally for each group of goods, the mail mentioned "good" and "bad" pairs. For example, among the footwear makers who were attacked most by the readers, even they had their "pacesetters." The people praised the women's high heels produced by the Kiev Footwear Mill, the Kimry running shoes and certain models of boots produced by the Moscow Zarya Association. Seemingly everything would be fine if the poorer learned from the better. Unfortunately, in life everything is much more complicated. One has merely to talk with the employees of the "good" and "bad" mills and it turns out that the former often produce an excellent commodity merely due to their own enthusiasm and often to their own detriment and at a price of enormous effort. The latter often easily find ways to market their "so-so" product and have an easy life. It also happens that the people want to make good articles but cannot. The high quality of various articles is often caused by random factors. Here a leader has been particularly talented or in another place they have been fortunate to receive good raw materials for there is personnel made up of hereditary specialists. A system is needed! A system of economic levers which would bring to the shelves only good commodities needed by the purchaser. We invited a large group of specialists to speak at our "roundtable" on just what this system would be and what prevents its establishing. Among the specialists were the USSR Deputy Minister of Light Industry, A. Yefimov, the Deputy Chairman of the Voronezh Oblast Executive Committee, N. Lyashenko, the chief of one of the administrations of the Minlegpishchemash [Ministry of Machine Building for Light and Food Industry and Household Appliances], Ye. Vazhnov, the Director of the Institute for the Study of the Population and Trade Conditions under the USSR Mintorg [Ministry of Trade], A. Orlov, the Director of the Standardization Institute of the USSR Gosstandart, A. Glichev, the Chief Engineer of the Moscow Outer Knitwear Production Association, O. Bogatkova, the Director of the TsUM [Central Department Store in Moscow], G. Fokin and others.

#### Has the Sold Been Purchased?

"A commodity ~~remains~~ unsold until the state receives the actual purchase money for it. The situation is essentially not changed by the fact that the articles move from the shop to the factory warehouse, from here to the rail side warehouse of the wholesale base, to the rail car, to a truck or the store's subsidiary enterprise. All these are the hands of the state moving the commodity among themselves. But it happens that once the factory pushes the article out of its gates it considers it 'sold'" (S. Fedorov, Economist, Novosibirsk).

"The main thing is that year by year the plan for the production of footwear is increased even though we have enough. The enterprises bend over backwards to fulfill the plan, sometimes sacrificing both quality and external experience. The goal is achieved, the plan has been fulfilled but the main thing has not been attained as the purchaser remains dissatisfied. A portion of the footwear is returned to the enterprise, a portion piles up at the warehouses of the stores and overtime must be written off. All of this causes harm to the state. The question arises is there any need to increase the plan for footwear production if what is produced is not sold?" (G. Gaziyeu, Footwear Engineer from the town of Buynaksk).



A contradiction? Undoubtedly. This was at the center of the debate around the roundtable. One of the participants, the writer, V. Selyunin, told how he once asked the USSR Minlegprom [Ministry of Light Industry] to name its best garment enterprise. It was mentioned. But later he learned that at the republic Mintorg, the same enterprise was considered one of the worst suppliers and they did not want to take its product. For the Minlegprom it is important that the mill fulfill the plans for sales, profit and profitability; for the Mintorg (and the purchasers) the quality and assortment were not to their liking.

At one time the market was not saturated and the purchaser took what was given. Now the situation has changed. In the warehouses lie goods worth billions of rubles. And billions of rubles lie in savings accounts. It is bad for the purchaser but what about for the state? Certainly the profit which it counted on either will not be earned at all or as a result of the price cuts it will be less than the planned. When there are many items the purchaser cannot be forced to take what he does not want. Consequently, assortment and quality must be made the basic indicators in the plan.

As is known, the production volume and the assortment of consumer goods should be determined by the orders from the trade organizations.

Seemingly this is how it is done with the manufacturing of only what the wholesale buyers have purchased at the fairs. But in actuality the plan's economic indicators as before are derived by themselves, from the notorious "base" and not from the actual assortment ordered by trade.

The participants of the editors' roundtable conference continued and developed this notion.

Ye. Vashnov who represented a ministry which is the main one producing refrigerators in the country said:

"We already, in essence, have saturated the demand of the nation for refrigerators. Virtually every family has one. But the plants as before plan the volume from the base plus an increase. But in order to force a person to discard an old working refrigerator and purchase a new one it is essential to offer him not the present makes but rather new, high-class ones. Just how can we do this if we plan not only production but also the resources for this being guided by the achieved level? So everyone praises the Minsk refrigerator and defames certain other makes. Why have the Minsk workers been able to make good equipment while the others cannot? Because from the very start the Minsk received polyurethane for its insulating while others used glass wool. As a result in the Minsk freezer the temperature is -18 while in the others it barely reaches 12. And for this reason the wall of the Minsk is thinner and the capacity of the chamber is more. But try to convince Gosstnab that new better quality materials are needed. We have been working on this for 6 months. But the persons receiving glass wool will continue to receive this. According to the base.

A. Glichev, Director of the Standardization Institute said:



"I am tired of speaking and hearing about planning from the achieved level. How long are we going to tolerate a procedure which was good for us in the 1920's and 1930's but now merely causes harm? And what alarms must we ring so that the plan derives from life and not from the base?

"Thus, formally, there are fairs and trade orders but they, these orders, are not the basis of the plan for the plants and factories. They are adapted and fitted to the plan which is given to the plant or sector from above following the achieved level.

"The plan based on the actual assortment is the method for solving the quality problem."

G. Fokin, Director of the TsUM, approached the same problem from a different aspect:

"In light industry there is a sort of gigantomania. As a whole, this is not a bad thing for our nation is a large one. But along with the large mills we must have small, daughter enterprises which would do semipiece work. Or let us take accessories. All sorts of buttons, fastenings and thread. It is known to everyone that the narrowness of their assortment and the eternal shortages reduce the possibilities of our garment workers. The accessories are supplied to them, for example, by the Factory imeni Balakirev in Moscow. It also is a sort of giant. But in addition to it, why couldn't there be a large number of small shops narrowly specialized in one or two types of accessories? At present, when everything is aimed at growing plans for volumes and profit it is disadvantageous to have such types of production. But if industry were to begin operating according to the orders of trade, then it would immediately be interested in these possibilities."

A question for the USSR Gosplan.

Are measures being taken to make the trade order the basis of the consumer goods production plan?

This Elusive Demand

"My opinion is that supply still lags 7-10 years behind demand. No less. Ten years have already passed in meetings, discussions and organizing production and the fashionable has now become unfashionable." (M. Fomichev, 30 years of age, Moscow).

"At present a large portion of the articles which recently were in great scarcity are now produced in sufficient amounts," said the deputy minister A. Yefimov. "We have been able to solve, for instance, the problems of bedding which at one time was written about so much and in all stores there are dishes, the men have socks, the women have stockings, pantyhose and other goods. Under these conditions a study of demand is becoming a prime problem.

"Let me give examples. Just a few years ago there was a great shortage of thread. But gradually it began appearing in sufficient amounts in the stores and now they are already receiving refusals of what has been purchased as they

are overstocked. At present we do not know what amount of thread is needed by the consumer. The same thing happened with corset articles: from an acute shortage to an overstocking. Upon the request of trade for 2 years running we reduced the output of men's suits and now they are in short supply.

"I feel that the problem is primarily in the fact that the purchaser is not responsible for contracts concluded at the wholesale fairs. A fair is held in August but in October the trade workers are already sounding the retreat saying that they no longer need the ordered goods. Trade has been given the right to refuse them but has fashion changed so much in 3 months? This can't be!"

All the participants in the discussion referred to the fact that a study of demand is the joint responsibility of both industry and trade. They have new, interesting forms of "feeling out" the market. Above all the brand-name stores of industry. How are things going with them?

Ye. Vazhnov, whose subsector produces consumer goods worth 2 billion rubles (refrigerators, vacuum cleaners, washing machines and much else), related that this entire giant has...just one brand-name store. In Moscow at the Tishinskiy Market. And it is a brand-name store only in name. It actually does not belong to industry but rather to Moselektrobytorg [?Moscow Trade Organization for Electrical Appliances]. The trade organization makes up the plan and decides what is to be handled. "And we are not better off if we, in addition to trade, send the store, for instance, an experimental batch of automatic washing machines from Moldavia. Twice I was called to the prosecutor's office for this question. But for us this is very important stuff as there can be meetings with purchasers, our consultation, their questions and criticism...."

In light industry things are seemingly better with the brand-name stores. It has 81 stores. But for this enormous country that is very little. And it is not only a question of quantity. T. Ivanova, the deputy chief of an administration at the Minlegprom, said directly: "If things keep going as now, the brand-name stores will simply die out. Our sector is not their boss. They are managed by the wholesale base. It gives them the goods it wants and not the articles which we must now test out in the market. I am convinced that trade turnover should not be planned at all for such stores. They should merely inform the local planning and trade bodies in advance of how many rubles worth they intend to sell in the planned year."

Then the question from the floor: "But how has it happened that the brand-name stores which were conceived of as affiliates of industry have become satellites of the trade depots and organizations?"

In actuality, how did this happen?

There was great interest in the message of the deputy chairman of the oblispolkom N. Lyashenko on the Voronezhets brand-name department store. Here they handle all the local Voronezh goods. The roundtable participants voiced the notion that there should be such department stores in each oblast. Then the local enterprises could respond quickly to requests and dissatisfaction of their purchasers. But again the activities of the brand-name store clash on the bureaucratic planning stumbling block. Why are the plants which have

produced a new interesting scarce commodity not allowed to supply them to their neighbors? Why must this commodity inevitably be shipped where no such initiative is shown? Why should what has been done by one be split ten ways?

The contractual prices for the new articles are becoming still another link between the plant, the store and the purchaser. Small batches of such goods are sold at a price which is set by the enterprises and stores themselves. Here also is the "diagnostics" of whether the commodity will sell or not. Unfortunately, A. Yefimov pointed out, only a little more than 1 percent of the light industry articles are sold at such prices. The reason is that only a few stores have been given the right to set contractual prices.

Questions for the USSR Mintorg and the Goskomtsen [State Price Committee]:

Will the status of industry's brand-name stores be altered? What is being done to broaden the practice of contractual prices? Are there plans to set up in the oblast centers stores along the lines of Voronezhets?

A question for the USSR Gosplan:

Will the rights of the oblasts be broadened in utilizing new scarce commodities produced by local enterprises?

Along With Us or Instead of Us?

"Recently I purchased a pair of jeans from the Moscow Bol'shevichka Association. The jeans cost 51 rubles and had a Quality Mark. I am interested in who gave them the mark and did they ever pick them up in their hands? And then wash their hands? The jeans color everything they come into contact with: hands, underclothing and if they are worn, your body, if underclothes are not worn...." (Yu. Orlov, war veteran).

"A large number of organizations determine whether or not a good is good or not and whether I, the purchaser, like it or not. The good has been approved, produced and even given the Quality Mark but if I do not buy it it lies on the shelf. What has all the fuss of these others been about?" (N. Kuznetsov, Omsk).

Both the roundtable members and the readers are unanimous on one thing: the ties between the producer and the consumer must be as simple as possible and direct as possible. Ye. Vazhnov said: "Very many levels approve the putting of a new good into production. I am confident that their number could be cut in half." O. Bogatkova, the Chief Engineer of the Outer Knitwear Association in Moscow, complained that too many organizations had been given the right to reject products and each of them considers it their duty to increase the number of complaints. Seemingly this is not a bad thing as there would be fewer poor goods on the shelves. But it is a strange thing that the opinion of the purchaser often differs decisively with the demands, for instance, of the trade inspectorate. A purchaser may like a child's jacket and purchases it willingly, while the inspectors reject an entire batch merely because the sleeve length is a centimeter less than the standard. On the other hand, how many things which meet the standards are "turned back" if the purchaser does not take them!

Excessive control from outside is ineffective and often leads to the opposite results. The producer does not know whom to follow: is it the purchaser or is it the scores of "indicators," "instructions" and signatures of department leaders who must approve the good?

Interesting and to-the-point was the speech at the roundtable by the Director of the Standardization Institute, A. Glichev. He said in particular: "In moving into the 10th and 11th Five-Year Plans, we with a good deal of effort introduced into planning practices an indicator for the proportional amount of superior quality product in the total volume and we made it a fund-forming index. All the sectors immediately rushed to certify their products and began to force the quality marks. Later on, the Gosplan and the Ministry of Finances saw to it that this indicator ceased to be a fund-forming one. And a powerful lever for improving quality ceased to operate."

To the scores of existing indicators another one, although a good one, was added. Is it capable of decisively improving things? Or does it merely cause a rush for form and for the same Quality Mark?

The purchaser is a sovereign entity. He votes with the ruble. He can be helped in choosing goods, he can and must be instructed and have taste instilled and his interest must be defended in the same state standards and in the activities of the trade inspectorate but it is wrong to decide for him. This is why it is so important to clear the way as much as possible between him and the producer so that the producer in his very pocket feels the response of the purchaser. This was well put by the director of the Institute for the Study of the Public and Trade Conditions, A. Orlov: "World experience shows that if the producer himself is not in touch with the consumer, if this path is not cleared, if they are organizationally isolated, then production very quickly lags behind the needs of the market."

And hence the conclusion: Not instead of the purchaser but along with him, on the basis of his opinion incorporated in a system of economic indicators for the plans of the plants, factories and associations, can one by common efforts ultimately solve the quality problem. So that each person so desiring can find in the store and purchase what he needs.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### SLOGANS, DESIGNS ON CLOTHING REVEAL 'BAD TASTE'

Moscow IZVESTIYA in Russian 2 Aug 84 p 2

[Article by IZVESTIYA economic columnist V. Romanyuk: "'Love Me, Love Me!' or Thoughts About Slogans and Designs on Clothing and Other Goods"]

[Excerpts] One often encounters young as well as older people in bright decorative clothing with a multitude of emblems and topical designs. Let us not speculate as to for how long, but let us say most definitely: this phenomenon has become widespread.

The designs on T-shirts, sport shirts, handbags or kerchiefs are far from always gladdening. What, for example, does the triple repetition "Sport! Sport! Sport!" call for? What do the old castles of ex-dukes or white-toothed smiles of cowboys in wide-brimmed hats remind one of? All of this is reproduced in huge quantities, and endlessly flashes before one's eyes.

A slogan is not just a color spot on a sport T-shirt. It is a fragmentary motif, which must be precise and informative in thought and, of course, attractive in execution. It is also a means of visual agitation and esthetic upbringing, especially of youths. Slogans and topical designs are close to a poster as regards the instantcy of perception, and we cannot be indifferent as to what is depicted on them and how dynamically and accurately they reflect the diversity of Soviet reality. Unfortunately, some young men and women with bad taste openly worship the garish company signs and emblems with designs that are not always neutral in content. On a blouse of one hapless fashion plate, the author of this article has even seen such a vulgar inscription in English: "Pay, and I am yours." Another one had an appeal on her back: "Love me, Love me!" The "shamrock" of the omnipresent "Adidas" is already often shown off even on domestic goods. The shrewd businessmen from the West are striving in every way possible to force on our market along with commodities their spiritual values through designs and symbols. It is, of course, doubtful whether it is worth expecting something different from them. But it is quite distressing for us to note the attempts to copy the low-grade promotional foreign production on popular domestic goods as well.

The question requires close attention. Already today the output of knitted goods with symbols has exceeded 30 million items a year, and by the end of the



five-year plan the quantity of such goods will increase to 40 million. The output of sport goods with symbols will increase almost 1.5-fold. The quantitative growth must be accompanied by substantial improvement in quality.

Recently I had an occasion to visit the regularly operating exhibition of variety of consumer goods at the All-Union Institute of Variety of Goods of Light Industry and Fashion [VIAlegprom]. Some stands here are devoted to articles with domestic symbols and topical designs, which were developed as a series by the light and local industry as well as by consumer service enterprises and the USSR Committee for Physical Culture and Sports [Sportkomitet]. Sports, festivals, anniversary dates, sights and emblems of cities, subjects of Russian folk tales and topics connected with traffic safety and protection of nature and the animal world--nearly 2,000 exhibits reflect various aspects of our life. Articles of the Tallinn's Marat, the Velikiye Luki Knitting Factory, the Mukachevo association and the Yerevan's imeni Myasnikyan are designed with good taste, expressive brevity and use of national motifs.

Here is, for example, a "Golden ring" series which gives coat of arms of our ancient cities--Suzdal, Rostov and others. The games named "Traffic light" and "Stop" and puzzles of the "2 + 1 - 7" type are colorful on children's T-shirts. The first cotton printing factory has turned out attractive souvenir towels with stylized pictures of Russian daily life, which have been made lovingly and with warm humor. An inscription reminds "There is joy when the family is together." The design devoted to the 25th anniversary of student construction detachments has been very well done.

There is an abundance of sports subject matter. The motifs of Russian nature and the national ornamental design on kerchiefs, shawls and bedspreads--here we have long-standing traditions--are shown in a lyrical and fine manner. But the thematic range of designs is limited. For example, the emblems of popular sport societies and clubs and domestic trademarks are rarely given.

Contradictory feelings are aroused by the production of local industry. In some republics, for example in Lithuania, workers in the sector have achieved high artistic expressiveness, and variously reflect in symbols the culture and national traditions of the people. But often the design of goods shows the poor taste of their creators. A bearded Neptune with a star and an inscription "Black Sea," which is in English for some reason or other, is supposed to symbolize Odessa, a city that is famous for its revolutionary and militant traditions. Some strange animal "decorates" a children's T-shirt, which was manufactured by the Oshmyanskiy Rayon Consumer Services Administration [raybytupravleniye] in Grodno Oblast. Moreover, based on the label the decoration amounted to one third of the article's cost. Purses with images of vulgar and cheap portraits were sent to the exhibition from Georgia, and from Uzbekistan--a collection of tasteless badges... And here is something that is difficult to imagine at all: pin cushions on which there is an emblem of the Universal Year of the Child. A peculiar "gift" for young chess players was prepared by the Ukrpromdinamo Association [not further identified]: A little boy, sitting astride on a wooden horse, is slashing chess pieces into bits with a sabre...

Probably, there are enough examples. How do all of these wonders get to the store counters? Until recently there was no reliable "filter" which would prevent production of tasteless and vulgar items in large quantities. Now, as explained by V. Zhukov, chief engineer of the All-Union Institute of Variety of Goods of Light Industry and Fashion, the USSR Ministry of Light Industry [Minlegprom] has received the rights of a leading ministry for developing domestic symbols and topical designs. A unified direction was developed: first of all, it is revolutionary and patriotic subject matter, images of commemorative places and coats of arms of cities, the country's nature, sports and selection of a profession.

Highly artistic series of topical designs and symbols are being created by specialists of institutes, associations and enterprises of the light industry in cooperation with the USSR Union of Artists. A specialized artistic and technical council for symbols was established. To be sure, it will still be necessary to develop unified methods of graphic design and print so that topical designs and symbols on articles would more fully correspond to the demands of the time as regards ideological and artistic level and ideological and educational direction.

Thus, a definite turn toward solving the question has been made. However, so far this concerns, first of all, the qualitative aspect of the matter. Enterprises have been given increased tasks. But in order to simultaneously achieve the necessary qualitative and ideological and artistic level in designing goods, a strict control must be established by trade organizations and local soviets of people's deputies. Trade symbols can and must play an active role in esthetic education of the population, especially of youths, and in strengthening the feeling of patriotism and pride in our great motherland and our people.

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## HOUSING AND PERSONAL SERVICES

### MORE CONSUMER RIGHTS URGED FOR EVERYDAY SERVICES

Moscow SOVETSKAYA KUL'TURA in Russian 19 Jul 84 p 3

[Article by E. Polonskiy, professor at the Moscow Institute of the National Economy imeni G.V. Plekhanov: "Does the Customer Know His Rights?"]

[Text] The elderly man, having stood his turn in line, placed a pile of shirts before the laundry attendant. "We cannot take them, the shirts have no tags," she declared. "What should I do?" asked the customer. "Sit down and sew them on." "And where do I get the tags?" "Buy a hundred of them from us, we do not sell fewer than that." "And can you not do me a favor and sew them on, for payment, of course?" "No, I work alone and on the line will not wait. And such services are not included in the price list."

A familiar situation, is it not? Everyone has probably experienced or at least witnessed something like this. See how they rudely interrupt us. See how they refused us service and sent us in all directions to get it done somewhere else. And how, going to the laundry before work with a load of dirty clothes, we found that the door was closed, although, if one can believe the sign, the receiving center should be open for business. These situations create a feeling of complete dependency upon everyday services. Indeed, we often can hardly imagine what each of us has the right to demand from everyday services, what our obligations are toward them, the obligations of the personal services enterprise and its degree of responsibility toward us.

In terms of strict legal language, the customer is a responsible person with whom they enter into a contract. And the personal services enterprise is a contractor signing the agreement. This is the essence of our relations with any service enterprise. According to the contract, both sides have certain rights and fulfill certain obligations. The customer pays and therefore has the right to expect that he will be served well and on time. To a large extent, the conscientious fulfillment of obligations by both sides characterizes the culture of services.

However, the fact that the customer and the service enterprise often find themselves in an unequal position means a breakdown in the functioning of the indicated legal model. Its main shortcoming is the possibility of refusing a service that the personal services enterprise is obligated to perform. Thus, behind the stereotypical answer "we do not do that at all" or "we cannot do this now" there is often a basic unwillingness to perform the requested work.

There are several reasons for this unwillingness. Granted, it is known that it is more advantageous for personal services enterprises to deal with an organization or an institution than with a particular citizen. If they are to wash windows or buff floors, then in an entire building and not in an apartment, where they have to move the furniture and the volume of work and profit will not be great. That is why, for example, in Krasnoyarsk Kray the manufacture and sale of shoes in small batches without preliminary orders amounts to more than 60 percent of the volume of services of this type.

But in serving individual customers, there are also profitable and unprofitable operations. Let us suppose that one of your slippers has a loose sole. In trying to have it sewn in a workshop, you will almost certainly be refused. Why, they will explain to you, should workers in the shoe industry spend their energy on this labor-intensive operation, when in the same amount of time they can successfully glue on dozens of soles? True, the quality will not be the same, but that, as they say, is your problem.

There are, of course, ways to protect the customer's interests. An acquaintance of mine twice brought some laced shoes in for repair on which the soles had come unglued. When this happened for the third time, he again went to the workshop for help. The new attendant admitted that this sole could not be glued, for it is made of nitron and glue will not hold this material. The sole must be sewn on. My acquaintance paid to have it sewn and, receiving the shoes, demanded his money back for the gluing previously done. The workshop employees found the order book, recognized the customer's complaint and gave him back his 2 rubles, having collected them from the original attendant, who had twice accepted the shoes for useless gluing. Naturally, this dispute was not settled as smoothly as it is described on paper. This episode cost my acquaintance his nerves and time, as they say. In addition, he now avoids that workshop and is forced, when the need arises, to have his shoes repaired far from his home. In general, this example is more the exception than it is typical. But to understand why most customers are ineffective in defending their own rights, it is appropriate to take a look at the rules of everyday services and at how they are applied in practice. Having studied these rules carefully, we invariably come to the conclusion that many of them inadequately reflect the interests of the customer, and some are hardly ever applied, either because the customer does not know about them or is not in a position to see that they are carried out.

For example, the personal services enterprise never gives full reimbursement in case they lose an item belonging to us. It reimburses the cost of the item with consideration being given to wear but not to the expenditure of labor and time in acquiring that item. In addition, the amount of wear on the item to be worked on is often arbitrarily increased by the attendant, which automatically is reflected in the size of the compensation.

One of the most frequent difficulties that we encounter occurs when the repairman of domestic appliances makes a house call. According to the rules of everyday services (paragraph 2.1), orders and requests are taken by telephone and the line is almost always occupied during the day.



The unfairness of this situation is particularly pronounced for people having entered into a continuous-service agreement and having paid in advance. The contract with the repair shop often becomes a source of many troubles and additional inconveniences for them.

Here are a few more extracts from the rules: The time of the arrival of the repairman to do work at the customer's home must be determined in an interval of 3 hours in agreement with the customer (paragraph 3.4). Prior to and after repair, domestic appliances and radio and television apparatus are brought to the shop and to the home of the customer by the customer himself or at his expense by enterprise transportation (paragraph 3.14). To say the least, getting these services is a very complicated matter!

In familiarizing ourselves with the rules, we learn that the periods for the completion of orders are established as standards. For example, average repair of clothing should take place within 6 days, major repair within 12 days, repair of a radio 3 to 5 days, etc. Also, these times are seldom met!

The obligations of the service enterprise are not met because of the weakness of the legal mechanism for protecting customer interests. How does the customer appear in the rules for everyday services? If your item or material is lost or ruined irreparably, the enterprise manager makes the decision about reimbursing the loss (paragraph 4.7). And disagreement about work quality is reviewed by a commission of the same service enterprise (paragraph 5.6). But even in ancient times, informed people said that one must not be judged in his own affairs!

In short, we are still a long way from equality of the parties entering into an agreement in a repair shop, workshop or laundry receiving center. The ministries and directorates of everyday services must and are obligated to ensure this equality and to give the customer real rights that will transform him from a helpless requester into a demanding partner of everyday services.

There are now rules in effect that free the everyday services enterprise and the citizen from the necessity of going to court in the event that one of the parties does not fulfill his obligations. If the customer does not pick up his order on time, then the enterprise has the right to sell the item. If the contractor does not complete the work on time, he is obligated to give a discount from the cost of the work. This direction in regulating the provisions of a service contract should be developed further. This will make the contract participants more responsible for fulfilling their obligations. It would seem that it would not be going too far to establish an additional material responsibility on the part of the service enterprise in the event that it refuses to perform a service that it can in fact perform.

And yet the principal reserve for improving the relations of everyday services with the customer lies, in my opinion, not in the juridical but in the economic area and in the organization of everyday services. According to the decree

of the CPSU Central Committee and the USSR Council of Ministers adopted in March of last year, the development of the sector for everyday services will lead to the elimination of the "gap" between demand for services and their supply.

As is known, for the purpose of improving the economic mechanism of service in the RSFSR, an experiment is now being carried out in increasing the motivation of everyday services enterprises to improve quality, observe the time periods for completing orders and raise the culture of service. It is notable that at the service enterprises participating in the experiment, an increase in the everyday services paid for by the population affects the evaluation of the activity of labor collectives and the size of bonuses to managerial and engineering-technical workers and employees. If the rules for everyday services are not observed, then not only the immediate violators but also the managers of the enterprises participating in the experiment are wholly or partially deprived of their rewards for the results achieved in economic activity. This emphasizes the current need for increased responsibility on the part of the everyday services enterprises to improve the quality of services, observe the time periods for completing orders and raise the culture of service.

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## PERSONAL INCOME AND SAVINGS

### LEVEL OF PERSONAL SAVING IN BELORUSSIAN STATE BANKS

Moscow DEN'GI I KREDIT in Russian No 4, Apr 84 pp 55-59

[Article by L.D. Gitel'man, chief of the cash settlement services department of the Belorussian Republic Main Administration of the State Workers' Savings Bank, and N.V. Luzgin, associate in the Faculty of Money Circulation and Credit at the Belorussian State Institute of the National Economy imeni V.V. Kuybyshev: "Wages through the Savings Bank: Results and Problems"]\*

[Text] Improvements in the activity of the saving banks has been taking place throughout the entire history of their existence. This process has gained special acceleration during the Seventies and Eighties. During this time, such kinds of operations as disbursing workers' and employees' and kolkhoz farmers' wages, issuing settlement checks, accepting payments from the public and so forth, have become widespread in the savings banks of the Belorussian SSR, and an experiment has been started to disburse consumer loans via the savings banks.

Operations involving the disbursement of workers' and employees' and kolkhoz farmers' wages, or, as it is usually called, wage payments through the savings banks, are the most well-known. The introduction of this innovation has been widely publicized in the economic literature. Most authors are positive in their assessment of the new form of settlements and express themselves in favor of extending the sphere of its application.\*\*

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\* Published as a discussion piece.

\*\* see for example: E. Andres. ""Osnovy teorii deneg sotsialisticheskogo obshchestva" [Basics of Monetary Theory in Socialist Society], Moscow, 1975, pp 209-210; N.D. Barkovskiy. "Problemy kredita i denezhnogo oborota v usloviyakh razvitogo sotsializma" [Problems of Credit and Money Circulation under the Conditions of Developed Socialism], Moscow, 1976, pp 180-181; Yu.M. Belugin. "Development of Cashless Transactions." DEN'GI I KREDIT No 6, 1979, pp 54-55; A.P. Zaytsev. "Wages Through the Savings Banks: Experience, Efficiency, Problems." EKONOMIKA I ORGANIZATSIYA PROMYSHLENNOGO PROIZVODSTVA No 10, 1980, pp 185-188; V.I. Zapotylok and Yu. I. Ol'khovikov. "Disbursement of Wages Through the Savings Banks under Conditions of Automated Management Systems." BUKHGALTERSKIY UCHET No 3, 1978, pp 62-64.

The first transfer of wages was effected in May 1970 to the personal accounts opened for the workers in two of the main shops at the Belorussian Order of the Labor Red Banner Automobile Plant in Zhodino city. By the end of 1983 some 67 percent of workers and employees in industry, 44 percent in construction and 50.2 percent in transportation were making use of the services of the savings banks for their wage payments.

Now, in accordance with the USSR Council of Ministers decree No 490 of 2 June 1980 "On Measures To Further Develop Savings Business and Establish Personnel in the Savings Banks" the following task is set: "... to implement measures to further extend the practice of disbursing wages for workers and employees and kolkhoz farmers through the savings banks."

At the same time, as the new form of wage settlements is extended the need has arisen to make a deeper study of this practice and to reveal a whole range of important questions and resolve them in good time, that is, in other words, to improve this progressive business consistently and comprehensively in close coordination with other savings bank operations. All this has required a generalization of the experience gained and a determination of the most rational forms for the organization of settlements for the payment of wages through the savings banks. A whole series of studies has been conducted for this purpose.

Each year the degree of accumulation of incomes transferred to the savings banks is determined for a number of economic organs. The economic effectiveness of the new form of wage settlements has been repeatedly studied by the Belorussian branch of the Scientific Research Institute of Labor, the republic main administration of the State Workers' Savings Bank and certain ministries and administrations.

In our view, of particular interest are the results obtained from a questionnaire survey conducted in May 1981 by one of us jointly with workers from the republic main administration of the State Workers' Savings Bank among workers who receive their wages through the savings banks. The survey was conducted both in the large savings banks opened at a number of enterprises when their workers switched to the new form of settlements, and in the savings banks that pay out wages at places of residence. Those participating in the survey included workers from savings banks located in five cities (Minsk, Mogilev, Soligorsk, Zhodino and Lida) and also at the Zhilichi sovkhos-tekhnikum and the Rassvet kolkhoz in Kirovskiy rayon, Mogilev Oblast. A total of 2,473 people were questioned. Questionnaire results were machine processed.

On the basis of the results from the study certain conclusion can be drawn about the significance of the new form of settlements, and about ways to improve it.

First of all it should be noted that extending wage payments through the savings banks is economically advantageous. Naturally, switching to this form of settlement requires certain expenditures for the construction of new savings banks and the enlargement of existing ones, increased numbers of savings bank workers, and the purchase of computer equipment. However, the saving derived considerably exceeds the costs. According to figures from a survey conducted way back in 1973 by the Belorussian



branch of the Scientific Research Institute of Labor, the total saving from introduction of the new form of settlements, taking the expenses incurred into account, R148,000 for the Belorussian Order of the Labor Red Banner Automobile Plant, and R44,000 for the Minsk Order of the Labor Red Banner Clock Plant imeni 60-letiya Kompartii Belorussii. In 1979 the republic main administration of the State Workers' Savings Bank conducted a new study, according to which the total additional output after the switch to the disbursement of wages through the savings banks was as follows: for the Beloruskaliy Production Association imeni 50-letiya SSSR, R433,000; for the Borisov Production Woodworking Association, R152,400; and for the No 2 State Bearing Plant in Minsk city, R171,200. According to calculations made by the economic services at the Belorussian Association for the Production of Heavy Trucks imeni 60-letiya Velikogo Oktyabrya ("Belavtomaz") and workers in the republic main administration of the State Workers' Savings Bank, as a result of the switch to the new form of settlements by this association in 1981 additional output worth R1,814,000 was produced. The saving is derived primarily through the elimination of losses of working time that accompany the payment of wages right there at the enterprises, and through strengthened labor discipline. As a result of the switch to the disbursement of wages through the savings banks, in 1979 at 27 enterprises of the Ministry of the Construction Materials Industry alone 3,500 man-days were saved. If we assume that under the earlier procedure each worker wasted 0.5 hours of working time each month to receive his advance payments and wages (even though in practice these losses of time were often much greater), then we can calculate that within the republic the saving amounts to more than 8 million hours of working time each year. Moreover, "payday" is a thing of the past, and along with it the consequences such as absenteeism and late arrival at work.

The spread of the new form of settlements is promoting the development of other savings bank operations, first and foremost increasing personal savings in deposit accounts. According to figures from a study conducted in 1982 at 33 enterprises and 6 kolkhozes, about 4.2 percent of all transferred wages and monetary incomes of kolkhozniks were paid into deposit accounts. During the year the growth in the total balances in these accounts averaged R65. At the same time, in 1982 the average size of deposits had risen by R12. Here consideration must be given to the fact that part of the total received in the savings bank is subsequently transferred to other savings passbooks.

When the questionnaire study was being conducted, one of the questions was: "How do you use the wages transferred to your account in the savings bank?" The answers were as follows: "spend it all"--33.2 percent; "leave part of it in the account"--58.8 percent; "transfer part of the balance to other savings passbooks"--7.9 percent. Thus, two-thirds of those polled leave part of their income in the savings banks.

By social groups, this proportion rises from 64.4 percent among workers to 82.4 percent among kolkhoz farmers. The proportion of those who save some of the income also increases as a function of age. Among young people aged 20 to 29 the proportion is 64.2 percent, while among people aged 50 to 59 it is 79.2 percent.

The structure of the responses also changes as a function of the time during which those answering the questionnaires had been receiving their wages through the savings banks. Among those for whom this period has been less than 1 year, 51.6 percent leave part of their wages in the account and 4.7 percent transfer some of their assets to other savings passbooks. But when workers have been receiving their wages through the savings banks for more than 3 years, these figures are 61.3 percent and 8.6 percent respectively. And the proportion of those who spend all their wages falls over this short period by a factor of almost 1.5 (from 43.7 to 30.1 percent).

Along with the economic advantage gained by the state, the social consequences of the new form of settlements, and also the attitudes of the workers themselves toward it, are just as interesting. When the switch was made to the disbursement of wages through the savings banks it was suggested that the public in general would react positively to the innovation since the new way of receiving their incomes promotes an increase in personal savings, improvements in the structure of consumer expenditures, and to a certain extent, improvement in the moral climate.

Analysis of the responses received from the questionnaire shows that an average of 82.4 percent of pollees prefer to receive their wages at the savings bank and only 12.2 percent at the cashiers' office at the enterprise or association. And as experience is gained, the proportion of those preferring to receive their wages in the savings banks grows from 71.2 percent among those who have been using the new form of settlements for less than 1 year to 86 percent among those who made the switch 3 or more years ago. This proportion is extremely high (80 percent or more) among all age and social groups.

The increase in personal savings during the transfer to the new form of settlements is in turn exerting a positive effect on the structure of consumer expenditures. Of course, the opinions solicited on this subject must be carefully weighed, since not everyone has a clear idea of what kind of structure for expenditures is the optimum. Nevertheless, even these opinions are of definite interest. In response to the question: "Has the structure of your expenditures been improved?" 51.2 percent answered in the positive and 25.1 percent in the negative, while 23.7 percent were unable to answer with accuracy. And this spread was typical of the answers in all age and social groups. Among kolkhoz farmers the proportion of positive responses was 82.6 percent. Depending on how long ago the switch has been made to the new form of settlements, the structure of the responses changes as follows: among those polled, of those receiving their wages in the savings banks for less than 1 year 42.2 percent responded positively and 28.1 percent in the negative. But among those for whom this period had been 3 or more years the figures were 54.4 and 24.5 percent respectively. Thus, even here a gradual growth can be traced in the positive consequences of switching to the new form of accounting.

Work is now being conducted to further extend the disbursement of wages through the savings banks. Proposals made by A.P. Zaytsev\* for resolving the questions

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\* A.P. Zaytsev. "Wages Through the Savings Banks: Experience, Efficiency, Problems."

that arise here are of definite interest. However, the soundness of some of them is in doubt. This applies in particular to the principle on which disbursement of wages is organized, namely production or territorial. In other words, into which savings banks is it better to pay wages--those located close to the place of work or those located at the workers' place of residence? In the Belorussian SSR payments are made both ways. At the beginning of the 11th Five-Year Plan about 70 percent of workers in the republic were receiving their monetary incomes in savings banks at their places of work and about 30 percent at their places of residence.\*

A.P. Zaytsev proposes that savings banks be organized at all major enterprises. In our opinion, this proposal is extremely debatable. First of all, given such an organization of the business, a large part of the advantage gained from introduction of the new form of settlements is lost. Experience shows that when the payment of wages is organized on the production principle, many workers try to obtain their money during work time. Moreover, the idea of creating "production" savings banks is irrational from the viewpoint of further developing the entire range of activity by the savings banks in providing services for the public. The organization of wage disbursement is one of the new forms of activity for the savings banks which at the same time creates conditions for introducing promising operations (cashless transactions for municipal payments, issuing settlement checks, the organization of consumer loans and so forth). It is better to concentrate all these operations in savings banks at places of residence. First, in both the cities and in rural locations a considerable proportion of workers are employed at small enterprises, and also in various organizations and establishments where, naturally, it is not expedient to set up "their own" savings banks. In order to provide services for these categories of workers it is necessary one way or another to bring the savings banks to the places of residence. Second, the "territorial" principle creates more favorable opportunities for organizing family budgets (depositing the incomes of all family members into one account at the savings bank and paying all family expenditures from it). Third, population categories such as pensioner, undergraduate and student can be serviced only at their place of residence. Finally, some of the operations of savings banks take place on days off (primarily on Saturdays). It is hardly convenient, is it, for a worker to travel to the "production" savings bank on this day?

The following circumstance also militates in favor of the "territorial" principle in the locations of the savings banks. When the questionnaires were being conducted at those savings banks where wage payments were being made mainly at the place of residence, 6.5 percent of pollees stated that they were transferring part of the total in the account to other passbooks (mainly urgent payments). At the "production" savings banks this figure was 12.2 percent. The difference, evidently, is explained by the fact that the workers

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\* It should be noted, however, that this split is to some extent arbitrary, especially for the small cities and settlements where the savings bank at the place of work is at the same time the savings bank at the place of residence.



are transferring part of the total they receive to accounts opened in savings banks at their places of residence.

The opinion of the workers themselves in this matter is also of interest. In response to the question: "Through which savings bank would you prefer to receive your wages?" 49.4 answered "the one at my place of residence" and 43.8 percent "the one at my place of work," while 6.8 percent were undecided. And at those savings banks where wages are paid mainly at the place of residence, 61.9 percent of pollees prefer this procedure for the payments. The opinion of this group of pollees is more competent since most of them do have experience in receiving their wages at their place of work (under earlier settlements procedures).

If we look at the structure of the answers in terms of age, we obtain the following spread: among young people aged 20 to 29, some 48.1 percent of pollees prefer to receive their wages in the savings bank at their place of residence, while 44.9 percent prefer their place of work. Among people aged 50 to 59, the corresponding figures are 53.1 percent and 38.8 percent. Thus, an obvious correlation exists between the age of pollees and the structure of the responses. Older people, who have more experience of life, prefer the "territorial" principle for receiving their wages, which also speaks in its favor. Moreover, the proportion of those preferring to receive their wages at their place of residence was higher among workers at 49.1 percent (against 43.4 percent) and among kolkhoz farmers, at 61.9 percent (against 33.6 percent). Workers employed in the sphere of material production mainly prefer the "territorial" principle for the organization of payments.

Thus, when considering the problem from various viewpoints, the advantages of organizing payments of monetary incomes for the public at places of residence are revealed. Proceeding from this, it is also necessary, in our opinion, to plan all further activity in extending this form of settlements, in particular the creation of new savings banks and the expansion of existing banks.

In recent years yet another question has arisen. It is a matter of how often monies should be transferred to the savings banks. Several years after the switch to the new form of settlements, quite considerable sums have been deposited in most of the accounts that have been opened for the transfers. In other words, for workers who have such accounts, the dependence between the time of the transfer of wages and the time when they receive their money gradually recedes. For a significant proportion of the population the sums transferred remain unclaimed for a considerable period, sometimes until the next transfer is made. Thus, according to a sample study conducted by the republic main administration of the State Workers' Savings Bank, for 13,533 accounts of workers and employees and 3,597 accounts of kolkhoz farmers receiving their wages through the savings banks, the average annual balance in 1980 was R245.1 for workers and employees and R834.2 for kolkhoz farmers, while the average time that each ruble remained in the account was 54 days for workers and employees and 192 days for kolkhoz farmers. Under these conditions an experiment was initiated to transfer wages to the savings banks once a month. Early in 1983 this transfer procedure was set up for the wages of 348,600 people employed at 470 enterprises and organizations. The advantages are obvious: the turnover of documents is significantly reduced and the work load on savings bank personnel is eased.



But do not other inconveniences occur here for the workers themselves? This question is also to some extent answered by the results from a questionnaire poll. In response to the question: "What is most convenient for you in terms of when you receive your wages?" 54.7 percent of pollees answered: "Once a month," and 45.3 percent: "Twice a month." And the proportion of the former increases both as a function of age and of the length of time that they have been receiving their wages through the savings banks. At the same time, it must be taken into account that the poll was conducted among workers who receive their wages both once a month and twice a month. But if we take the responses given in those savings banks most of whose clients receive their wages once a month, the predominance of those wishing to receive their wages in this manner becomes clear. Thus, in Soligorsk city, 70.8 percent of those polled prefer to receive their wages once a month. And the opinion of this proportion of pollees can be considered more authoritative since most of them have had experience in receiving their wages both twice a month and once a month.

It by no means follows from the above that there is any need for an immediate switch of all workers receiving their monetary incomes through the savings banks to the once-a-month procedure. A definite proportion of workers withdraw all the money credited to them in the days immediately following the transfer (according to questionnaire figures, 33.2 percent of pollees). True, in time this proportion decreases. Naturally many workers in this category will prefer to receive their wages twice a month. What is needed here is a great deal of propaganda work among the public, both on the once-a-month method of wage payments and the idea of thrift in general. Obviously, in each specific case when the switch to wage payments through the savings bank is first made it will be necessary to retain the twice-a-month method of transfer, and then, as stable balances are built in the majority of the accounts, move over to the once-a-month payment. The following circumstances should also be borne in mind: wages can be transferred to the saving bank either once or twice a month, but depositors can then withdraw them at their own convenience, once or twice a month or more rarely or more frequently. Naturally, this kind of situation does not come about immediately but in time, as the habit of receiving wages at set periods fades.

In order to further improve operations involving the payment of monetary incomes through the savings banks, finding out any inconveniences that the public experiences during the course of these operations is not insignificant. Responses to the question: "What dissatisfies you about receiving your wages through the savings bank?" were spread as follows (expressed as percentages of those polled): "The need to go to the savings bank each time"--14.6; "The lines in the savings bank"--40.5; "The great distance to the savings bank"--5.0; "The complexity of the documentation"--5.4; "Poor standards of service"--2.5; and "Undecided"--32.1 percent.

Thus, most complaints are caused by the lines in the savings banks. The solution is an even distribution of wage payment days at different enterprises and raising the labor productivity of savings bank workers. In addition, extensive explanatory work is needed among the public in order to spread the load evenly on workers at the savings banks throughout the entire month, along with the development of cashless transactions.

Extension of the new form of settlements is proceeding relatively slowly in rural localities. Whereas for the republic as a whole, as of 1 January 1983 some 1,364,600 people were receiving their wages through the savings banks, this number included only 40,100 kolkhos farmers, or 3.4 percent. In general this problem must be resolved in the overall plan for developing the activity of the savings banks in rural localities. With regard directly operations involving the disbursement of wages, their development is linked, in particular, with the possibility of providing savings banks in outlying areas with cash in good time. The creation in the countryside of large savings banks capable of providing better quality services for the public is also promising.

While of great significance in and of itself, the organization of wage disbursement through the savings banks at the same time stimulates the development of other promising kinds of operations. The switch to the new form of paying workers' wages has been largely instrumental in creating the kind of situation within the republic in which virtually every family has one or several accounts with the savings banks. This has created favorable prerequisites for the development of cashless transactions between the public and the various enterprises and organizations for goods sold and services rendered. In particular, the scale of operations involving the issue of settlement checks by the savings banks to the public is growing. In 1983, within the republic settlement checks worth a total of R375 million were issued, including almost R60 million for sums transferred from deposits.

Kinds of operations such as apartment rent payments and payments for municipal services are also being developed. And the most perfect form for making these payments is through depositors' standing orders, which is especially convenient when the switch is made to the new method of settlements for wages. In the Belorussian SSR about 85 percent of these payments are now made through the savings banks. By the end of 1983 some 42,000 depositors' standing orders were in force in the republic's savings banks. The extensive development of these and similar operations is, however, being hampered by the still inadequate level of mechanization and automation in the work of the savings banks.

Along with this, in 210 production collectives that have switched to the payment of wages through the savings banks, more than 130,000 workers and employees make their rent payments for their apartments and payments for municipal and other services using the cashless method through the book-keeping departments at their own enterprises. The most extensive of these forms of payment are for rents for housing and hostel accommodations under departmental control, and for children looked after in preschool establishments, and so forth.

Cashless transactions according to one-time instructions for services accounts for one-off payments for services rendered by the municipal, everyday and other enterprises are being extensively developed through the savings banks. In 1982 alone the savings banks in the republic fulfilled about 56,000 such instructions involving a total of more than \$36 million.

With the switch to the new form of settlements for wages, part of the transferred sums accumulate and, in addition, information on the general level of worker incomes is concentrated in the savings banks. This creates favorable conditions for introducing and developing forms of savings bank activities such

as the organization of the extension of consumer credit. Since 1975 an experiment has been underway in issuing loans to depositors in a number of rayons in the republic. By the end of 1983 about 33,000 loans involving a total of more than R14 million had been granted. In the future these operations will obviously be further extended.

On the whole it can be said that the extensive development of operations involving the payment of the monetary incomes of the population through the savings banks is linked with the resolution of a whole set of questions (the places at which payments are made, how often payments are made and so forth). And to resolve these questions it is necessary to coordinate them with the development of other kinds of savings bank operations, primarily in cash settlement services for the public. In our view, all this requires that further studies be conducted on questions concerning improvements in the activity of the savings banks.

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## FOOD PROCESSING AND DISTRIBUTION

### IMPROVEMENTS OF MILK SUBSTITUTES NOTED IN BELORUSSIA

Minsk SEL'SKOYE KHOZYAYSTVO BELORUSSII in Russian No 7, Jul 84 p 25

[Article by G. B. Nedved': "Milk Substitutes Are a Profitable Business"]

[Text] The Glubokoye Milk Canning Combine operates on the basis of a waste-free technological program, with the complete utilization of the secondary raw material, skim milk. A new milk substitute shop was completed just before the new year of 1984, with a scheduled start-up date in the second quarter of this year. The work was completed ahead of schedule through the painstaking efforts of installers and fitters. As a result, more than 50 tons of the new product had already been produced in March and delivered to the animal husbandry farms of local kolkhozes and sovkhozes.

"In a year we will produce 650 tons of dry non-fat milk," shop chief Yuriy Vladimirovich Grankovskiy said. "And we will produce 850 tons of milk substitutes. Skim milk is the initial product used in this process. But as you know, it has only an 0.05-percent fat content. Cheaper cooking fats are used to enrich it. Besides this, a phospholipin concentrate, A and D vitamin compounds and hydrochloride biomicin are added to the mixture. These additives promote the better growth of young cattle, strengthen their bones and help to prevent inflammation."

The technology for the preparation of milk substitutes consists of several stages. First the fat is removed from the milk delivered by farms; the milk is then pasteurized, condensed and mixed with other elements. One of the main stages is the drying process, followed by packaging, labeling and storage. All of these processes are automated and the entire cycle is monitored by control and measuring instruments. A VRA-4 dryer produces 6 tons of powdered milk per shift. The powdered milk substitute is packaged in reinforced paper bags with a polyethylene lining, holding 25-30 kilograms. The powder is stored at a temperature of under 10 degrees and relative humidity of under 85 percent. It can be stored for up to 8 months.

"Until recently much of the milk was used for young cattle," shop foreman Tamara Aleksandrovna Kibel'da joined the conversation. "Not long ago, 15-18 percent of the total milk yield was used for this purpose on some farms, but this causes the radical decline of marketability and diminishes the resources of a valuable raw material for processing."



"This is why the production of milk substitutes can heighten the marketability of milk on kolkhozes and sovkhoses and secure a greater commercial product volume. Preliminary estimates indicate that the use of these substitutes will raise marketability to 93-95 percent this year on farms in our zone, which includes Glubokskiy, Sharkovshchinskiy, Miorskiy and Braslavskiy rayons."

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## FOOD PROCESSING AND DISTRIBUTION

### EXPANDED ROLE OF BELORUSSIAN CONSUMER COOPERATIVES

Minsk SEL'SKAYA GAZETA in Russian 7 Jul 84 p 2

[Article by V. Chigir', Chairman of the Board of the Belorussian Consumer Cooperative Union: "Service to the People"]

[Text] Today marks the 62d celebration of International Cooperation Day, a mass democratic movement which has set as its aim improving the economic, social and cultural conditions in the life of the workers.

For the Soviet consumer cooperative movement, the speech of the General Secretary of the CPSU Central Committee, Comrade K. U. Chernenko, at the April (1984) Plenum of the CPSU Central Committee has been a guide to action. This speech set out a practical program for carrying out the decisions of the 26th Party Congress and the subsequent plenums of the CPSU Central Committee in all spheres of social and economic life.

A definite contribution to the common cause has been made by our republic's consumer cooperative, a major mass social and economic organization bringing together in its ranks 2.8 million kolkhoz members, sovkhoz workers and members of the rural intelligentsia. We serve around one-half of the republic's population. The field of activity for the consumer cooperative is very extensive, including trade and public dining, procurement, construction, the production of various types of products, the training of specialists for the sectors of the cooperative economy and the development of subsidiary farms.

At present, the questions related to carrying out the Food Program are at the center of attention of the cooperative members. The organizational work carried out on the spot and the specific allocating of means to develop the physical plant of the food complex have served as a good basis for carrying out the plans of the 3 years of the five-year plan and the first 6 months of the current year.

The workers of the cooperative industry are making a major contribution to supplementing the food resources. Last year alone they produced and sold some 41 million rubles worth of product above the plan and over the 5 months of the current year, more than 10 million rubles worth. If one speaks about the volume of the product presently produced at the cooperative enterprises, one has merely to say that over the 3 years of the five-year plan, 1.2 billion rubles worth of product have been produced.

For the production indicators achieved, the republic cooperative members over the last 9 quarters running have won the challenge red banner of the Tsentrosoyuz [Central Consumer Cooperative Union] Board and the Central Committee of the Trade Union for Workers of State Trade and Consumer Cooperatives.

In the program for increasing commodity resources, an important place has been assigned to the procurement of agricultural products. In the republic there are around 1.23 million private subsidiary farms of the citizens. Each year these produce an average of 250,000 tons of meat, more than 2.1 million tons of milk, 7.5 million tons of potatoes and vegetables and 500,000 tons of fruits and berries. This comprises almost one-half the total volume of agricultural product produced in Belorussia with the consumer cooperatives being the basic purchaser.

The Belkoopsoyuz [Belorussian Consumer Cooperative Union] Board together with the cooperative organizations on the spot are working to most fully utilize the existing resources of agricultural product. For this, each rayon has established well-equipped procurement universal-type facilities. The network of receiving-procurement points is being developed and their workers are entrusted with the task of being true organizers for purchasing agricultural products in their zone. All of this has produced a noticeable affect. The volume of procurement turnover in 1983 alone increased by 16 percent and reached 355 million rubles.

The subsidiary farms have undergone significant development in the system. For example, last year they produced 7,520 tons of meat (in live weight) and obtained 4,737 tons of weight increase. Over the 3 years of the five-year plan, meat production increased by 3.3-fold.

The successful carrying out of the Food Program to a significant degree depends upon the level of trade services for the rural population. During the years of the current five-year plan, retail commodity turnover has risen by 11 percent and in 1983 was 3.7 million rubles.

The physical plant of trade has undergone further development. A modern trade network has been organized now at the rayon centers, major population points and on the major highways. New types of stores have appeared including self-service department stores, "The Modern Household," "Equipment," "Implements for the Orchard and Garden" and others.

The amounts are increasing and the sale of agricultural products are being improved in the cities through the urban cooperative trade system. While in 1980 the stores of the urban cooperative trade system sold 36 million rubles worth of agricultural products, in 1983 the figure was 55 million or 1.5-fold more. At present, the republic is establishing a network of "Sausage" brand-name stores which will supply up to 25 types of sausage articles and smoked products. Such enterprises exist in Minsk and in all the oblast centers.

In recent years, public dining has been developing rapidly. The system now includes over 6,000 public dining enterprises, with 306,000 seats, the turnover of which in 1983 reached almost 269 million rubles with 59 percent of this being obtained from the production and sale of their own products. Each day around

1.5 million persons, more than 30 percent of the rural population, use the public dining services.

Regardless of the work done to develop the physical plant, and in the area of integrated rationalization, due to a number of factors, the most important sector of the republic cooperative system, trade, as yet does not work with sufficient effectiveness. Over the first half-year of the current year, the commodity turnover plan was not fulfilled.

We see our mistakes in commercial work, particularly in determining the orders of industry for manufacturing a sufficient amount of articles in demand by the population and in the unsteady delivery of goods to the stores. There have been interruptions in the trade of goods the presence of which makes it possible to satisfy the needs of the public. The possibilities of advertising, the selling of goods on credit as well as small-scale retail and take-out trade have not been sufficiently utilized.

It is also essential to recognize that many shortcomings have been the consequence of inefficiency and irresponsibility on the part of a number of officials in the oblast and rayon consumer unions and raypo [rayon consumer society]. In each specific instance, the Belkoopsoyuz Board has made a principled evaluation of these facts. During the current year, the leading workers of certain rayon consumer unions and raypo have been held responsible. We are now at work on eliminating the shortcomings and strengthening the weak links.

We must also mention the role of the Belorussian consumer cooperative members in developing international relations. At present, we trade with 30 nations in the world and these deliver more than 60 types of products. Mutually advantageous trade is carried out with many socialist countries and cooperative organizations of France, Italy, England, Denmark, Finland and others. During the current year, business meetings have been held between the Belorussian consumer cooperative workers and trade partners from Hungary, Yugoslavia and Finland. Recently we received representatives of commercial organizations from the United States and Afghanistan.

Our system employs 154,000 persons. And today, on International Cooperative Day, I would like to mention some of our leading collectives, the pacesetters of the sector. These are the collectives of the Glubokskiy Rayon Consumer Union, the Dzerzhinskiy Raypo, the Minsk Food Combine, the Bobruysk and Gomel combines for nonwoven materials, the Pinsk Automotive Combine and the Kalinkovich Fur Farm. These are headed by Angelina Yul'yanovna Zhukova, Anna Vladimirovna Yakimova, Nikolay Afanas'yevich Poletayev, Yevgeniy Fedorovich Khmel', Mikhail Ivanovich Bus'ko, Foma Fedorovich Bezruchko, Georgiy Nikitovich Matskevich.

The year 1984 for us is a special one as it is a year of reports and elections to the administrative and control bodies of the cooperative organizations and enterprises. The workers of Belorussian rural trade, having set to steadily carry out the decisions of the April (1984) Plenum of the CPSU Central Committee and in moving toward the 11th Congress of Representatives of the Republic Consumer Cooperative, are making a maximum effort to improve services for the people in every possible way.



## FOOD PROCESSING AND DISTRIBUTION

### IMPROVED BREAD PRODUCTS, DISTRIBUTION NEEDED

Moscow KOMMERCHESKIY VESTNIK in Russian No 13, Jul 84 pp 36-38

[Article by R. Lokshin, doctor of economic sciences and deputy director of a department of the USSR Gosplan: "Bread--Head of All"]

[Text] Bread and macaroni products, flour, grits and legumes are the most popular and least expensive food products. They comprise more than 9 percent of the total volume of the retail commodity turnover of food products.

The data in the table on the sale of bread products in cost and real terms characterizes the progressive tendencies in consumption, in the structure of the commodity turnover, and in the movement of retail prices over more than 30 years.

The sale of all food products in 1983 was 7.3 times greater than in 1950, and the share of bread products declined from 30.1 percent to 9 percent. This period is characterized by an increase in their sale by a factor of 3.7 after considering changes in the assortment and comparable prices, by a factor of 2.4 in terms of their physical volume (in tons) and by a factor of 2.2 in prices paid by the purchasers. Such structural changes are conditioned by a significant increase in the sale of the more valuable food products, by an absolute decline in the consumption of bread (per capita of population), and also by a low level of retail prices for bread products.

In 1983, the index of State retail prices relative to 1950 was 82 for all food products and for bread products it was 58. The retail prices for bread products were lowered in the years 1951-1954 and on 1 April 1954 they amounted to 62 percent of the price level on 1 March 1950. They remained stable in the following years.

The main tendency in the production and sale of bread products is improvement in the assortment. There is an increase in the share of quality wheat flour (and its corresponding production) of the highest and first grades, as well as of cracknels and buns, macaroni products from high-quality flour, and rice in the composition of grits. On the basis of these qualitative changes, the average retail price for a ton increased from R287.8 in 1960 to R362.6 in 1983.

**Dynamics of the Retail Commodity Turnover and Consumption of Bread Products in Cost and Real Terms**

<u>Item</u>	<u>1950</u>	<u>1960</u>	<u>1965</u>	<u>1970</u>	<u>1975</u>	<u>1980</u>	<u>1985</u>
Retail commodity turnover of State and cooperative trade for bread products:							
In retail prices of the corresponding years, millions of rubles	6,330	7,425	8,903	10,517	11,964	13,545	15,921
In terms of flour, millions of tons	15.8	25.8	30.4	32.2	35.2	37.9	38.4
Relative share of bread products in the turnover of food products, in percent	30.1	17.4	14.7	12.2	10.6	9.9	9.0
Average cost per ton of bread products (in prices of the corresponding years) in rubles per ton	399.1	287.8	292.9	326.6	339.9	357.4	362.6
Total volume of consumption of bread products by the population (including all sources) in millions of tons	31.0	35.1	36.0	36.1	35.8	36.6	37.0
Per-capita consumption of bread products, kilograms per year	172	164	156	149	141	138	136
Index of State retail prices for bread products (1950=100), in percent	100	59	59	58	58	58	58
Reference:							
Population (average annual) in millions of people	180.05	214.25	230.6	242.45	254.1	265.2	272.2
Retail commodity turnover of State and cooperative trade in food products, in millions of rubles	20,998	42,755	60,452	86,168	112,729	137,336	153,891

In total sales valued in terms of the component retail prices, the share of grits increased from 9 percent in 1960 to 12 percent in 1983. The share of bread and bread products increased from 61.9 to 63 percent and the share of macaroni products rose to 6 percent. At the same time, the share of flour declined from 23.2 to 19 percent. This is natural, since the development of bread making at enterprises of State and cooperative industry led to a decline in home baking.

Industrial production increased, whereby a large part belongs to consumer cooperatives (their relative share increased from 16 to 35 percent).

The rural population of the RSFSR, the Ukraine, Belorussia, Moldavia, Georgia, Latvia, Lithuania and Estonia obtains most of its bread in the commercial network of the consumer cooperatives and also in State commerce. At the same time, the inhabitants of the Turkmen SSR, the Kirghiz SSR, the Tajik SSR, the Azerbaijan SSR and the Uzbek SSR provide for 50 to 75 percent of their bread needs through production at home. In Kazakhstan and Armenia, it is 30 to 40 percent. This is due not only to traditions but mainly to the low quality of industrial baking of national bread varieties such as "churek" and "lavash" and others. Other factors are the dispersion of the rural population and difficulties in regular deliveries of goods due to insufficient transport means and the unsatisfactory condition of the roads, especially during the time when they are nearly impassible.

In this connection, rural residents in such regions purchase more flour.

At the present time, the task is to expand the production of national varieties of bread on an industrial basis, which will provide a number of advantages. For example, one mechanized oven for the production of round cakes replaces 19 "tandry" and greatly eases working conditions. These questions, however, are still being resolved very slowly and equipment is not being assimilated in a timely manner. In addition, the quality of production does not meet the demands of the population and therefore home-baked bread is preferred. In a number of rayons and cities of Central Asia and Transcaucasia, there is--although on a small scale--private trading in "lavash" and round cakes at prices in excess of State retail prices.

It must be said that due to their good taste, there is demand for national bread varieties in other regions of the country as well. Taking this into consideration, in Moscow in 1983, they began to bake "lavash" from high-quality flour in small semimechanized bakeries.

In analyzing the sources through which the population is supplied with bread products, one should consider the increased role of State resources, the decline in the absolute volume of sales at the kolkhoz market, and the reduction in the amount of grain given to kolkhoz farmers and sovkhos workers in the form of payment in kind for labor. In the 1950's, the grain that agricultural workers received was used for baking bread and to a considerable degree as fodder for livestock and poultry being kept on private plots. Trade in bread and grits in rural areas was limited by an inadequate allocation of marketable commodities as well as by a weak development of cooperative bread baking.

With the transition to a monetary wage and the organization of the universal sale of bread products, the market expanded. The rate of growth in sales greatly exceeded the rate of growth in consumption, and therefore there was an increase in the share of commodity and a decline in noncommodity consumption. Whereas the overall volume of consumption of bread products was estimated at 37 million tons in 1983 and had increased by 6 million tons or 19 percent relative to 1950, the corresponding sales in State and cooperative trade reached 38.4 million tons, exceeding the 1950 volume by 22.5 million tons or by a factor of 2.4.

This is explained by the fact that the population was buying a certain quantity of baked bread and also grits as fodder for livestock and poultry.

The share of the kolkhoz market in the sale of bread products declined from 19 to 3 percent. In 1952, the population purchased about 4 million tons of grain products in the kolkhoz market, whereas it was 1.1 to 1.2 million tons in the years 1980-1983.

There was a change not only in the channels through which purchasers are provided with bread products but also in the composition of the population. The number of rural residents declined by 11 percent relative to 1950, during which time the population of the country as a whole increased by a factor of 1.5 and that of the urban areas by a factor of almost 2.5.

In addition, by reducing the amount of bread that is baked by just 500,000 tons (with the sale of the corresponding quantity of fodder), for example, the savings can amount to R15 million (expenditures for fuel and wages), not including the reduction in the requirements for flour and the expenditure of labor for grinding grain.

As was noted above, per-capita consumption of bread products declined. It fell from 172 kg in 1950 to 136 kg in 1983.

There is fluctuation in the consumption of bread products in the Union republics. This is determined not only by climate, national and historical peculiarities, by the relationship between the sizes of the urban and rural populations, and by the composition of families, but also by the extent of the use of other food products. In 1982, the lowest consumption of bread products (per capita of population) was noted in Estonia, Latvia and Lithuania, amounting to 70 to 80 percent of the average indicators for the USSR. The highest consumption was in the Georgian SSR (137 percent) and also in the Moldavian, Uzbek, Tajik, Turkmen and Azerbaijan republics (120 to 130 percent of the Union average). Consumption in the Kazakh, Ukrainian and Belorussian republics was about 3 to 10 percent above the USSR average and it was 10 percent lower in the RSFSR.

Still unresolved despite an adequate volume of production are questions of raising quality and developing production in an assortment that corresponds to demand. The timely delivery and sale of fresh bread is not guaranteed everywhere.



In connection with the insufficiently high quality of some varieties, the relatively great weight of products in excess of daily consumption and also the low prices, considerable losses arise in the form of stale bread. It is used in part for preparing dishes and also for livestock fodder. However, the collection of wastes from the population has still not been organized everywhere.

To keep fresh the bread that has already been brought in, it is possible to establish special rooms in large stores, in which the appropriate microclimate is maintained. In addition, to reduce losses, work has been done in recent years to reduce the weight of bread products. This, however, leads to a worsening of the economic indicators for bread products, as there is a reduction in the productivity of the work of equipment. But considering the overall positive results, it is nonetheless expedient to increase the output of products that weigh less and to seek reserves for lowering the production cost of output through the complete transition to the transporting of flour in special railroad cars (whose production has still not been worked out) and motor vehicles, in which about half of the total volume of flour is transported, whereas the remainder is transported in sacks. It is necessary to organize its bulk storage in bunkers at the bread plants.

At the present time, measures are being taken to improve bread quality by enriching it with various additives.

The ensuring of a continuous sale of fresh bread in the proper assortment and its timely delivery to the stores depend upon the coordinated action of bread plants and trade organizations. The fact is that there is much criticism of the transport work not only in the rural areas, where it is felt especially acutely, but also in a number of cities. The failure to observe schedules for bread deliveries to stores has become widespread.

To solve these problems, it is expedient to assimilate the transporting of bread in containers (the pattern is from the bread plant to the store) without transshipment. This makes it possible to reduce greatly total expenditures compared to traditional deliveries, and it reduces the demand for motor vehicles through better use of carrying capacity and reducing idle time to a minimum. In addition, the labor of workers in bread plants and stores is being eased. Thus, the container method of delivering bread to the Estonian Union of Consumer Cooperatives makes it possible to save up to R5 per ton of production.

The experience of Klaypeda, Voroshilovgrad and many other cities and rayons in which bread is shipped from the bread plants to the stores in containers also convinces one of the effectiveness of the actions being carried out based upon intersectorial cooperation.

To a considerable degree, the quality of bread depends upon the quality of flour and accordingly upon that of the grain. It is predominantly--about 90 percent--produced from wheat, and about 10 percent is from rye. Wheat should meet certain indicators regarding the nature of the grain providing for a

higher yield and its content of protein and gluten. Grain from hard varieties of wheat with a protein content exceeding 14 percent and a gluten content of more than 28 percent possesses high bread-baking qualities.

In a number of regions, however, the increase in the yield was accompanied by a reduction in the protein content of wheat. In addition, there has even been a reduction in the areas sown in hard varieties of wheat in recent years. This is related to the fact that its cultivation is associated with large expenditures and requires the observance of strict agro-technical rules, beginning with the selection of the field and the preparation of the soil, seed selection and caring for the crops, and concluding with the harvest and grain storage.

Therefore, because of a shortage of grain in the required condition, it is necessary in manufacturing flour to mix wheat of hard and soft varieties in fixed proportions. In this connection, some corrections were made in the GOST [All-Union State Standard] that permits an elevated moisture content of dough. To a certain degree, bread becomes stale relatively rapidly for this reason.

It is clear that it is now necessary to review the existing GOST's for bread yield.

The organizing of uninterrupted trade in flour would help to improve the condition of the market, since many families like to bake items to their own taste. The amounts of flour of highest and first grades for sale to the population are still unsatisfactory today, although the trade organizations are not fully assimilating the marketable stocks allocated to them. This situation has to do with an obsolete planning practice. Under the established system, marketable stocks not selected in a given quarter for flour and grits are canceled. This limits the possibilities of being flexible with bread products resources in the course of the year when there are changes in demand in particular regions of the country. With the stable demand that has developed, it is not expedient to maintain the severe restrictions established in the past. The USSR Ministry of Trade and its organs in the republics and oblasts should be given the right to redistribute marketable commodity stocks so as to eliminate possible interruptions and to provide for a generally normal trade in bread products.

At the same time, according to the recommendations of the Nutrition Institute of the USSR Academy of Medical Sciences, rye bread should account for about a quarter or even a somewhat greater proportion of the total consumption of these products. As a matter of fact, in the structure of marketable commodity stocks, including flour used in baking bread, the relative share of rye flour has in recent years been considerably under the indicated recommendations. It declined from 13.3 percent in 1965 to 2 percent in 1982. This decline was partially compensated for by a certain increase in the proportion of quality rye flour from 3.9 to 6.5 percent during those years.

After raising the purchase prices for rye and reviewing the structure of grain crops, the production and State purchases of rye have recently started

to increase. It therefore appears essential not only to increase the marketable commodity stocks of rye flour but also to restore forgotten and develop new formulas for rye bread so that it could take its rightful place in the food ration.

The task of improving the quality of bread products and of providing for a more economic expenditure of resources can be successfully solved through coordinated and purposeful measures. It appears expedient that in the development of the Food Program through the efforts of agricultural workers, the flour-grinding, bread-baking and macaroni industries, machine builders and equipment suppliers and also the workers in transport and trade, specific tasks be developed that foresee the production and delivery of grain, grits, flour, bread and macaroni products of the required quality in accordance with the requirements of rational nutrition. In this regard, it is important that central organs involved with material-technical supply, price setting, standards and other normative positions strengthen these specific tasks through essential resources and economic and organizational decisions.

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